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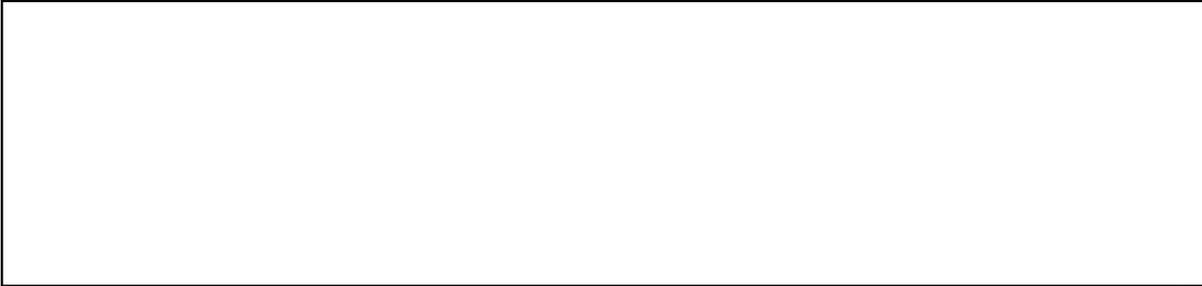
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"Peace" in China—Li Chung-jen and "New Road"

By Chang Ling-wei

A PEACE offensive is being launched by the Nanking Government. It takes form in the forth-coming presidential election sponsored by Nanking; and the emergence of a "New Road" group in Peiping.

On April 17th, the Nanking Government proposes to elect its first President and Vice-President. While there is no other candidate for the presidency, there are four for the vice-presidency: Mr. Yu Yu-yen, chairman of the Control Yuan; Dr. Sun Fo, the present Vice-President of the Nanking Government; General Cheng Ch'ien, head of the Generalissimo's Headquarters in Hankow; and General Li Chung-jen, head of the Generalissimo's Headquarters in Peiping. As usual, Chiang Kai-shek cannot tolerate any purporting to be his equal—even in sport. But he is willing to grant a second place to the one who may serve his purpose best. Who will be that man? The public shows little enthusiasm. The Chinese people have experienced many government re-shuffles and "liberal" ascension to power, yet the rule of Nanking remains unchanged. Whether the choice of one man as Vice-President can alter the deteriorating situation is highly sceptical. The candidature of General Li Chung-jen is significant in accordance with Nanking's continued political manoeuvres.

General Li Chung-jen was formerly a Kwangsi warlord who still holds substantial influence over the right wing army officers and landlords in that part of China. He is also a man with a better reputation of efficiency than most of the Kuomintang generals. As Nanking is preparing to move into South China, friendliness towards General Li may make it easier to eradicate the characteristics of provincialism in the South China administration, now confronting T. V. Soong. The American Government will very likely endorse such a candidate, for the same reason. Li's former connections with important figures in Marshall Li Chai-sum's Revolutionary Committee in Hongkong is also to be explored. T. V. Soong and Li with American military and economic aid will be good combination.

In the meantime, a new group in Peiping emerges in a new role in the Nanking-American political move.

An Association for Economic and Social Research was formed on March 1st in Peiping. Its sponsors comprise many of Nanking's officials, and professors. A strong T. V. Soong and Political Science Group influence can be traced down: T. V.'s important selection, Mr. Hwok Pao-hsu, former Director of CNRRA, now chairman of the Import-Export Control Committee,

for instance, is one of the sponsors. It is reported that Soong has financed the Association's foundation fund with a huge sum in gold bars. The Political-Science-Group controlled Industrial and Mining Committee is well represented by its Adviser, Mr. Ch'ien Chang-chao; its Vice-Chairman, Mr. Sun Yueh-ch'i, and a number of carefully selected staff organizations. The group also includes a number of university professors who hold views indicative of Nanking's dictatorship.

The Association's spokesman emphasized that it was not a political organization. But judging from the composition of the sponsors and financial relations, one is sceptical as to the extent of truth in such a statement. Furthermore, it has a complete political programme in regard to domestic, international, economic, and social affairs. The Association claims to believe in democracy. It elaborates in its consideration that a constitutional administration is more important than the Constitution itself. It shows complete unconcern as to whether the Constitution is democratic or not. This sounds like an echo of the present policy of the Nanking Government's and its declaration that it will soon commence constitutional administration, in which the constitution in effect legalises the dictatorship of the President. The Association also opines that China should have more than one political party; and that political parties should under no pretext use force to suppress the opposition. But it does not point out whether a one-party dictatorial government using armed forces to suppress opposition comes under this category or not. The present Nanking Government which is known to all as the Kuomintang government, brands every opponent as a bandit or a rebel, whereby legalising its use of force against them. Nanking's armed forces remain those of a political party, despite their assumption of being the nation's troops. The Association in no way explains this situation.

The Association proposes to publish a magazine named "New Road" to spread the illusion that democracy is possible under the present Nanking set-up with technical re-shuffles and "reform". It designs to weaken the vast discontent amongst the intellectuals by giving them a seemingly "new road" aside from those of the Kuomintang and the Chinese Communist Party. This new road is evidently the road which the Nanking Government is seeking in attempts to solve its political impasse. Even America sees that no amount of either military or economic aid will help a government which is practically

deserted by its people, unless coupled with political manoeuvres. However, no political manoeuvre can be decisive if not substantiated by deed. But deeds are costly; and the Nanking Govern-

ment whose very existence relies on force and gestapo methods cannot afford to concede one step forward towards democracy even as a gesture. There remains the political impasse.

Imperialism Exposed

By C. Huai

FOR sometime, a theory seems to have circulated in both America and China, which purposes that within the American government there are groups advocating different policies towards China. One group is said to believe that the present policy of aiding Chiang Kai-shek to prosecute the civil war in China is detrimental to America's interest as it destroys the market in China. This group is said to be represented by Clarence Gauss, former American Ambassador in China and at present a responsible figure in America's Import and Export Bank. Such an idea has cast a kind of illusion over China's independent intellectual and political groups, to the effect that there would be a day when America's policy towards China will change. This theory apparently serves American imperialism. However, the testimony of Mr. Gauss at the Foreign Affairs Committee on March 8th frustrates the very basis of the theory. Mr. Gauss frankly admitted, "Economic aid to China will not be effective unless there is beside it a strong military programme. Until you have a military solution in China you can have no success with economic aid." This is no surprise to those who understand the true attitude of American imperialism. But to the daily reducing number of people who still cherish illusion about a possible change of American policy towards China, it comes as a thunderbolt. It has proved the soundness of what has been repeatedly pointed out, but has been refused belief; that it on the fundamental question of helping Chiang to prosecute the civil war, the authorities of American imperialism concur.

Following Gauss' testimony, the Wall Street Journal which is known to be representative of Wall Street thinking, also expressed in its February 13th editorial that without military aid to Chiang, economic aid would be ineffective. Both Gauss and the Wall Street Journal's advocates, substantially represent the entire big monopolistic capital class in power. Even those who claimed to be neutral and non-partisan working for UNRRA in China, like Rooks, Cleveland, and Eggleston exposed their support of military aid to Chiang. As a side issue this explained very well why UNRRA in China had never really carried out effective relief and rehabilitation work for the masses of the Chinese people, but had acted like a supply bureau to the Kuomintang troops.

It will be said that all these people cannot represent the American Government; only President Truman and Secretary Marshall can do this. Precisely, these two figures have just given a farcical performance on March tenth and eleventh. In Washington Mr. Marshall told the press that the American Government still insisted upon the broadening of the base of the Chinese Government to include the Chinese Communist Party. Whether Marshall actually said this or not, we do not know. But in spite of the State Department's denial the following day, Marshall's interview can at least be so interpreted, according to the published records of the press conference. People are puzzled as to what American policy is towards China. But on the same day, Mr. Truman clarified the situation and also gave an answer to this long impending question. Truman declared that the United States did not favour and never had favoured the inclusion of Chinese Communists in the Chinese Government. When he was asked for what purpose General Marshall was sent to China in December, 1945, Truman for the first time admitted it was not for the mediation of China's domestic conflict, nor to promote the formation of a coalition government including Chinese Communists; but to help Chiang Kai-shek to cope with the new situation. Truman's reply helped many historians to better understand America's role in history, it drove away the last remnants of wishful thinking about America, and proved that the persistent denunciation of American imperialism by the Chinese people is correct.

There is no doubt that American imperialism will help Chiang Kai-shek from beginning to end. But as this policy has been practically brought to nought in China, Chiang's rule draws to its close. American imperialism and Chiang continue to make the last struggle; but will prepare the ground for other possible alternatives. This explains why although America's imperialist policy in aiding Chiang has been disastrously defeated, it still expresses intense interest in certain political intrigues. There are actually two aspects of American policy towards China. On the one side, military aid is intensified, such as the grant of military loans, expanding the Military Advisory Group in China, and even to the point of demanding a puppet ruler whom the American Government can completely control.

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SPECIAL & FEATURE ARTICLES

The "New Third Front"--The China Social and Economic
Research Institute

by Fei Jen

Time & Culture Weekly (Liberal, inclined to the left), Shanghai
Vol. II, No. 23
March 19, 1948

Peiping, March 10---On March 1, the "China Social and Economic Research Institute" in Peiping announced its inauguration and held its inaugural meeting on the premises of the European and American Returned Students' Association. This organization had been under preparation for half a year. Wu Ching-chao of the North (Wu is professor of sociology in Tsinghua University, and during the wartime he served as official on the War Production Board of the Ministry of Economic Affairs) and Chien Chang-chao and Hsiao Chien of the South have all done a great deal to help organize it. Later on, Chow Ping-lin and Quentin Pan of the North and Shao Li-tze of the South also supported this setup and sponsored its organization.

Professors of National Peking University who joined this Institute include Chow Ping-lin, Chu Kuang-chien, Yang Chen-sheng, Lou Pang-yen, Ma Ta-yu, Wang Tieh-yai, Chao Nai-po, Feng Chih and Chien Tuan-sheng (in the States); of Tsinghua University, Wu Ching-chao, Quentin Pan, Liu Ta-chung and Fei Hsiao-tung; of Yenching University, Weng Tu-chien. Tao Meng-ho of the Academia Sinica, Chien Chang-chao, Sun Yueh-chi and Shao Li-tze of the National Government, Wu Wen-chu, Wang Chung-chih and Tung Kwan-shien of industrial circles, are also members of this organization.

The inauguration of this Institute naturally aroused much conjecture and speculation. Everybody knows that Chien Chang-chao is T.V.'s man, that Sun Yueh-chi is Wong Wen-hao's righthand man, while Chow Ping-lin and Chu Kuang-chien represent half of Dr. Hu Shih. Among them are industrialists, businessmen, top-notch liberals who are known for their unsteadiness and inconsistency, the more moderate elements of the defunct Democratic League (such as Quentin Pan), and Tao Meng-ho who resigned from PFC membership. Chien Tuan-sheng may be only a nominal member. Fei Hsiao-tung and Feng Chih indicated that they only wished to be members but not sponsors of the organization. Perhaps they joined this setup out of personal friendship. It was said that there was a suggestion to invite Prof. Chang Hsi-jo to join the Institute, but nobody knows why Chang never did so.

As for reactions from various quarters, there was no enthusiastic response from the North. Industrial and business circles here have been exceptionally quiet recently. Their interest in this organization seems rather limited. Though this was much talked about in the schools for a while, yet when the students realized that it would still be some time before the blueprint could be ready, and moreover, owing to the ever changing situation, coupled with the disclosure that 30% of the students are suffering from T.B. and also the recent suicide of a Nankai University professor, they began to focus their attention on the crisis now facing education and paid no tribute to the newly-inaugurated Institute. The majority of the people may not find Chien Chang-chao's project of investigating the incomes of the Chinese people very exciting.

American reaction to the establishment of the Institute is still unknown, but it is understandable that the Americans will be appreciative of this and that they have some connection with it.

The "Yi Shih Pao" here suddenly published a report that this Institute was financed by T.V. Soong. Chien Chang-chao could not but make a vehement denial of this report at the meeting. Wu Ching-chao also referred to this matter again and again at the press conference. He asserted that the money was donated by industrial circles. The wallnewspaper of the Peking University, entitled "Pei Ta Jen" (The Peita-ites), published the following report:

ENCLOSURE #2

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Linyin Road and that the suspect is a fireman of a Customs boat. The lecture note folders carried by the girls and the posters on the wall contained reactionary slogans as well as slanderous words against President Chiang Kai-shek. On being questioned as to who asked them to post these slogans, the girls categorically denied that they had anything to do with the matter. As there were sufficient evidence to substantiate charges against them, the Police Station turned them over to Police Headquarters. It is learned that they will be sent to the Special Criminal Tribunal for trial. Chang Cheng-ting, the suspect, was released on bail by the station as subsequent investigations proved that he was not involved in this case.

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MILITARY NEWS

Over 20 Draftees Run Away After Announcement of
Namelist

Lih Pao (General Labor Union Organ), Shanghai
March 26, 1948

(Local News)---The conscription authorities in this city have announced the names of a part of the draftees in the Whangpoo District. A responsible official of the Civil Affairs Bureau of the Shanghai City Government revealed: According to the reports of various investigators, up to 2 p.m. yesterday, in only half a day's time, over 20 out of these some 30 draftees had already run away. Therefore, the Bureau has decided to postpone the announcement of the names of other draftees.

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New Recruit Jumps Off Train to Escape Military
Service

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
March 26, 1948

(Local News)---A passenger travelling on a certain Nanking-Shanghai train was found lying seriously injured beside the railway track near the signalling station east of Wusih yesterday morning. It is learned that the injured person is called Chen Shun-ching, a new recruit of the Division Administrative District in Taihsien, over 30-years old, and that he jumped off the train in an attempt to escape military service.

* * *

Additional Operational Commands Set Up to Prevent
Bandits from Crossing Yangtze
River

Chien Sien Jih Pao (Connected with Ku Chur-tung), Shanghai
March 26, 1948

Nantung, March 25---With a view to preventing the bandits from crossing the Yangtze River in their southward infiltration and to strengthening the bandit-suppression campaign, the First Pacification Area Headquarters has set up the First and Second Operational Commands in Haimen and Chingking respectively. Deputy Commander Liu Chia-shu was appointed concurrent commandant of the First Operational Command and charged with the task of unifying the command of bandit-suppression work in Nantung, Haimen and Chitung areas. Deputy Commander Li Tien-hsia was appointed concurrent Commandant of the Second Operational Command and charged with the task of unifying the command of bandit-suppression work in Taihsien and Taihsing areas.

* * *

"The manager of a paper mill of the National Resources Commission told others that by order of the Vice Director, Sun Yueh-chi, this mill alone had to contribute 100 reams of paper. All other plants were also ordered to make donations."

Rumors have it that the "Sin Lu Weekly" (New Way) to be issued in May, will pay \$1,000,000 for each thousand words contributed. It is also said that contributed articles will be paid for in U.S. currency. It is said that the library which the Institute is undertaking to establish will be stocked with magazines of all kinds and the site will be on the premises of the said Institute located at Tung Chih Men. As for the 32-point policy of the Institute, Wu said: "This is not a fixed and lasting policy. Revision can be made at any time." "When the Institute was organized," he added, "it had been planned to put economic affairs before political affairs, but later it was felt that politics was the more important, so the first part is devoted to political affairs."

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After reading the 32-point policy, we feel that the 9 points concerning politics are the most magnificent. But we do not know whether the word "co-exist" as used in the sentence, "all political parties must be able to co-exist in the country", stands for KMT-GP co-existence.

The 6 points on foreign affairs are rather ambiguous, as if reproaching both the leftists and rightists. On the one hand they are progressive, while on the other hand they are backward. They advocate a pro-American and pro-Soviet attitude. But only when our internal politics is sound and only if we can make progress, shall we be able to choose good friends and to avoid asking for outside help. The question is whether we can stand on our own feet, hence the problem still lies in our internal politics.

Our internal politics is rooted in economy. In order to effect modernization, in order that the country may proceed onto the road of reconstruction, the foremost thing to do is to end the civil strife. Currently, all national reconstruction projects have become stakes in the civil war, so there is no modernization to speak of. Of the 10 points on economic affairs, 2 deal with the land problem (points 18 and 19). Point 19 is empty talk while point 18 suggests a mild reform. But even this mild reform cannot be carried out smoothly at present. One has only to look at the "pacification areas" in North China. There, even the best reform measure cannot be smoothly enforced, for the antagonism between landowners and farmers is too deep-seated. The moderate land policy adopted in other industrialized countries can hardly be used in China at all. Therefore it is better to shelve point 18 until after the conclusion of the civil war. But after the cessation of civil strife, it may be possible to effect a radical agrarian reform, so this mild reform would be unnecessary. This is the sorrow of those who advocate mild social and economic reforms.

Without an effective agrarian policy, one can hardly speak of economic reconstruction, and without an economic policy, the 32-point policy may have to remain merely a "vision" forever. Maybe one can only enjoy this blueprint through a pair of binoculars!

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Our Impressions of the Work Program of the China Social
and Economic Research Institute

Observer Weekly (Independent, Liberal), Shanghai
Vol. IV, No. 4
March 20, 1948

Dear Editor:

On March 1, a new organization called the China Social and Economic Research Institute was inaugurated in Peiping. At the same time, this Institute published a 32-point work program under the headings of political, economic,

social and miscellaneous affairs. Many prominent personages are leading members of this organization, among whom are leaders in industrial and educational fields. So rumors were rife that this was China's "new third party", or that it was supported by Ambassador Stuart. It has, therefore, attracted quite a good deal of attention from the public.

Detailed accounts concerning this Institute will be reported later, but its nature, policy and aim can more or less be discerned now. I am of the opinion that this Institute is not a political organization, much less a political party. Hence, it is hardly right to say that it is a "new third party", especially would it be untrue to facts to say that it is an ordinary public body. It seems even more true to facts to say that it is a new public body rich in political flavor.

At this time when the situation is gloomy and when right-minded people in all social strata are seeking a new way-out, as long as someone is willing to come forward to lead the struggle for reform, personally, I am ready to give him my full support no matter what method he uses. For if this suffocating state of affairs is allowed to continue, so that people's mental suffering will surpass their physical suffering, it will indeed be highly detrimental to the country. Therefore, objectively, there is urgent need for some prominent people to come forward to rally the broad masses of people by setting before them clear-cut principles so that the political atmosphere will not continue to be stagnant. At the same time, personally I have always had a great esteem for England's Fabian Society and its relations with the Labor Party; it is a pity that China still lacks such a Society, and our friends in the academic field should be held partially responsible for this lack.

After a careful perusal of the 32-point policy of the Institute, personally I am quite satisfied with it. Though the San Min Chu I is not embodied in the policy, yet the essence of the San Min Chu I runs throughout same. In the world today, in China today, all true followers of the San Min Chu I should abide by the said policy. Of the 32 points set forth, every one is quite solid, either based on the spirit of the San Min Chu I or setting forth a concrete policy of reform based on past and present facts. Every one of these points has a definite value of its own.

The world has unfortunately gone to two extremes. The differences between the United States and Soviet Russia are daily widening, while the guns of civil strife in the country are booming louder and louder every day. At this time, if some people can come forward to rally the people with some ideal, it is already a rare and unusual thing! If these people will persevere and will rally and unite the people under certain principles, then this unity will engender strength. This will, on the one hand, influence China's politics and, on the other, make it unnecessary for all the educated people in the world to support corrupt and inefficient governments. All these are what we earnestly expect from the inauguration of the China Social and Economic Research Institute.

(Signed) Chow I-chih

Shanghai, March 15, 1948.

NOTE: Chow I chih is a member of the Legislative Yuan.

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Social and Economic Research
Institute

Shih Tai Jih Pao (Soviet-owned), Shanghai
March 23, 1948

(Local News)---Yesterday Yeh Tu-yi said to our reporter: Today's (March 22) Sin Wen Pao carried a report stating that in his interview with the pressmen Dr. Hu Shih said that Profs. Chang Tung-sun and Chow Ping-lin had organized a China Social and Economic Research Institute in Peiping. It should be understood that Chang Tung-sun not only has not organized the said institute but also has not joined it. Therefore, Dr. Hu's statement in this regard has no factual basis. This can be proven by the letter which Chang personally wrote to me.

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Professor Chang Tung-sun Has Not Joined
Social and Economic Research
Institute

Shih Tai Jih Pao (Soviet-owned), Shanghai
March 23, 1948

(Local News)---Yesterday Yeh Tu-yi said to our reporter: Today's (March 22) Sin Wen Pao carried a report stating that in his interview with the pressmen Dr. Hu Shih said that Profs. Chang Tung-sun and Chow Ping-lin had organized a China Social and Economic Research Institute in Peiping. It should be understood that Chang Tung-sun not only has not organized the said institute but also has not joined it. Therefore, Dr. Hu's statement in this regard has no factual basis. This can be proven by the letter which Chang personally wrote to me.

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North China Rally of Intellectuals

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Peiping, Mar. 2.—UP.—An Association composed of a group of industrialists, professors, financiers and journalists, planning to draft "the blueprint of a new China," was organized here in response to United States Ambassador J. Leighton Stuart's call to rally Chinese intellectuals.

While observers expressed interest in the political leverage which the new group may wield in view of the military situation in North China, a spokesman for the group told the United Press that the Association hopes to submit issues filled with such political dynamite as land reform and China's relations with the United States and Russia. They said that they hoped the government would be influenced by their proposals.

No Political Ambitions

The group, however, disclaimed any political ambitions. Chien Chang-chao, former chief of the National Resources Commission, in addressing the first meeting of the association yesterday, said that the group merely plans to explore diplomatic, political, social and economic problems with a realistic approach.

Members include Sun Yueh-chieh, vice chairman of the National Resources Commission, in addition to prominent figures in China's educational, industrial and farming worlds.

The association, taking note of rumours circulating here, denied that it was supported by T. V. Soong, former premier and currently governor of Kwantung province. It also denied that one of its aims was the building up of political careers for its members. A spokesman said that the formation of the organization represents a direct response to Stuart's speech. He said, "we are merely seeking a basis for action."

Chien Chang-chao said in his speech "it is high time that conscientious members of the community... seek amidst the darkness a path toward light. Revolutionary thoughts represent only the foliage of the tree of life while the living represents the fruit."

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Mar. 3
(Wed.)

The Chinese Association of Social and Economic Research which was inaugurated on Monday held its first general meeting yesterday. Views on fundamental diplomatic, social, political and economic problems were exchanged. The results will soon be made known to the public.

An interesting move has been made by some of the moderate liberals in Peiping. Financed largely by T. V. Soong, this group is planning the establishment of a social science research center in Peiping. An active organizer is Chien Chang-chao, former executive director of the National Resources Commission, who is connected with both T. V. and the Political Science Clique. Chien is trying to get the cooperation of such liberals as Professor Hsi Shao-tung of the Tsinghua University and Shiao Chien of Fudan University. Part of the projected work of the center is publication of a magazine and a number of pamphlets.

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CHINA RESEARCH
SOCIETY FORMED

INAUGURAL MEETING
HELD IN PEIPING

The Chinese Association of Social and Economic Research whose promoters include Mr. Shao Li-tse, Secretary General of the People's Political Council and former Ambassador to Moscow, Professor Chow Ping-lin, dean of College of Law of the National Peking University, and Professor Fei Shao-tung, of Tsinghua University, held its inaugural meeting at the Western Returned Students Club yesterday afternoon at three o'clock, according to the Cheng Chung News Agency.

Mr. C. C. Chien, adviser to the National Resources Commission who arrived here last week from Nanking, made a report of the work preparatory to the formation of the Association. In view of the fact that the Chinese political, diplomatic, social and economic affairs at present are in a state of confusion and also far from reaching a modernized stage, Mr. Chien is reported to have said, a group of friends from educational, political commentary, industrial, and financial circles gathered together last November and decided to form the above mentioned Association.

To Promote Research

The Association aims at providing basic materials for the reconstruction of the country. Without any political background, the Association hopes to grope for a "new road" in the dark. And by promoting the interests in research of political bodies the Association will indirectly improve the general welfare of the whole populace.

The research work will be carried out openly, and publications in the form of periodicals and series of books and reports will be issued shortly. The Association, Mr. Chien said, will appeal to the public for assistance.

Officers Elected

After passing its regulations, the association elected eleven executives and three supervisors. Professors Chow Ping-lin, Chien Tuan-sheng and Lou Pang-yen, of Peita, Mr. C.C. Chien, Professors Wu Ching-chao and Pan Kwang-tan of Tsinghua, Dr. Y. C. Sun, Deputy Chairman of the National Resources Commission, Mr. Hsiao Chien of *Ta Kung Pao*, Mr. Wang Chung-chi, Chinese Director of the Kallan Mining Administration, Mr. Liu Ta-chung and Mr. Tao Meng-ho, were elected executive members and Mr. Shao Li-tse, Mr. Wu Yun-ts'o, a Shanghai industrialist and Mr. Tung Kwan-hsian, Tientsin-Hopei-Jehol Office of were named supervisors.

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China Social and Economic Research Institute to Publish
Approved For Release 2002/08/14 : CIA-RDP83-00415R000800070019-5

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
March 4, 1948

CPYRGHT

Peiping, March 3---The China Social and Economic Research Institute sponsored and organized by Shao Lih-tze, Chien Guang-chao, Chow Ping-lin, Chien Tuan-sheng, Quentin Fan, Chu Kuang-chien and Lou Pang-yen will publish a "Sin Lu" (New Road) Weekly with Wu Pen-nung, Chien Tuan-sheng, Hsiao Chien and Wu Ching-chao as editors. The Institute is also preparing to organize a publishing company. It emphatically declared that it would not engage in political activities and that it is not a political group.

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ENCLOSURE

Shun Pao (KMT-supervised. C. C. Organ), Shanghai
March 2, 1948

Peiping, March 1---In the midst of prevailing chaos in the country, the China Social Economic Research Institute sponsored by Chien Chang-chao, ex-Chairman of the National Resources Commission, was formally inaugurated in this city today. The said Institute was organized by a number of industrialists, college professors, writers and Government officials. Chien Chang-chao, Sun Yueh-chi (Deputy Chairman of the National Resources Commission), Professors Chow Ping-lin, Chien Tuan-sheng, Hsiao Chien, Tsao Yu, Fei Hsueh-tung, and Quentin Pan, Shao Lih-tze (Kuomintang veteran), Chu Chung-tao, Wu Ching-chao, Chu Kuang-chien, Le I, Tao Meng-ho (Director of Academia Sinica), Wu Yun-chu (prominent industrialist), P.S. Ho (Director of the Export-Import Board), Lu Tso-fu (General Manager of the Min Sheng Corporation), and Tuan Si-peng are all in the namelist of sponsors. They will soon hold a general meeting to discuss various political, diplomatic and economic problems and their views will be made public.

In his inaugural speech delivered at today's meeting, Chien Chang-chao stated: China is faced with various political, diplomatic, social and economic problems which are exceedingly complicated. The general situation is so chaotic that the people in general have become confused and do not know what to do. In organizing this Institute, we desire to rally all our friends to try to analyze various vital problems confronting this country, so as to seek, in the midst of darkness, a path which will lead us to brightness. We hope to find a new way out. We do not mind whether the path has already been followed by other people in the past nor shall we lightly change our course because of the developments in the international situation. We are endeavouring to draw up a blueprint for the building of a new China.

The inaugural meeting of the said Institute was held under the chairmanship of Chien Chang-chao at the European and American Returned Students' Club at 2 p.m. today. Over thirty persons including Chow Ping-lin, Quentin Pan and Sun Yueh-chi attended the meeting. After passing the constitution of the Institute, they elected Chow Ping-lin, Chien Chang-chao, Wu Ching-chao, Sun Yueh-chi, Hsiao Chien, Quentin Pan, Liu Ta-chung, Chien Tuan-sheng, and Tao Meng-ho as executive directors, and Shao Lih-tze, Wu Yun-chu and Tung Kuan-hsien as supervisory directors.

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SPECIAL AND FEATURE ARTICLES:

Peiping Hsin Pao (KMR CC Clique), Peiping
2 March 1948

CREATION OF THE CHINESE ASSOCIATION OF SOCIAL AND ECONOMIC RESEARCH

The Academic organization, which we forecast in an article entitled "What Is the Mission of Chien Chang-chao's Current Trip to Peiping?" appearing in our "Inside Story" column day before yesterday, was brought into existence yesterday. The name of the new setup is "Chinese Association of Social and Economic Research".

The association boasts a total membership of 59 men, among whom are industrialists, professors, high government officials and representatives of the government abroad. It even has such a prominent political figure as Shao Li-tse as a member. It is a national organization having more political than academic coloration.

Judging from the fact that the association was created closely in the wake of the statement made by Ambassador Stuart, in which he wished for the unification of Chinese intellectual elements, some observers deem the creation of the association to be gesture to respond to the Ambassador's wishes. For these men have been proclaiming themselves to be the sort of liberal elements in whose interest Stuart was urging unification. Some sensitive observers connect the organization closely with the government's desire to win American aid.

Another interesting point which should be noted here consists in the fact that although the association is composed of liberal elements, the fact still remains that it does not embrace all the representative liberals. It is said that while some so-called scholars, whose political views have gone on record, failed some days ago in procuring membership in the association, others like Wu Fan, Chang Hsi-jou and Fan Hung reportedly have strongly refused to become members in spite of desperate efforts on the part of the association. As a matter of fact, the components of the association still remain those who are close to or who wish to come into close contact with, the national government. (Abridged translation)

Peiping Jih Pao (Kuomintang), Peiping
28 February 1948

THE SO-CALLED "NEW THIRD PARTY"

The "third party" has become a historic term since the government launched the bandit suppression campaign. The "third party" referred to in current rumors in fact means nobody other than the one which has been dead for some time. It would be of course altogether incredible to connect American Ambassador Stuart with this mission, because he,

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to connect American Ambassador Stuart with this mission, because he, being a foreigner, cannot very well intervene in the domestic affairs of China. Just because it would be unfitting for Ambassador Stuart to participate in the "peace" work, an opportunity has been provided for the "middle elements" to resume their activities again.

The background of the renovationist group of the Democratic Socialist Party has been fairly obvious. It once tried to join the Democratic League but was prevented from doing so by a government decree dissolving the League. From the standpoint of political principles, however, the renovationist still bear a close kinship to the Democratic League. This is a big asset to the renovationists in trying to emerge as the new "third party".

The chairman of the group, Wu F sien-tze, and its cadre members such as Wang Shih-min and Lu Kuang-sheng, have been frequently traveling to and from Nanking and Shanghai in an endeavor to expand its organization. A month ago, several little-known "social dignitaries" and religious bodies joined the group and the renovationists thought they had acquired some further prestige.

Though the clamors for new "third party" started in Shanghai and Nanking, they were actually originated in Hongkong. Sun Pao-yi, leader of the renovationist group of the Democratic Socialist Party in Shanghai and formerly deputy director of the propaganda department of the Democratic League, published some time ago two articles in the "Jen Tao Weekly", organ of the group in Hongkong, in which Sun bluntly suggested a "middle road" in the prolonged Kuomintang-Communist strife. Thereafter much speculation has sprung up around these articles.

But some observers have alleged that Sun's articles were intended as a sort of "feeler". The group is really desiring to act up to Ambassador Stuart's recent appeal to the liberal elements to rise to cherish and love their country but they feel weak-hearted. Consequently, after the government has explicitly indicated its attitude toward this matter, the group is letting the attempt die down at a time when it hardly can be said to have been brought to birth. (Abridged translation)

POLITICAL NEWS:

Hsin Sheng Pao (Gen. T'w. Yu-ning) Taipei
13 June 1947

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Veteran Statesmen to Set Up Peace Organization

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Over 20 noted retired government officials and generals, including Chiu Yun-peng, former Prime Minister of the Hsu Shih-chang regime, Pan Ling-kao, Lao Chih-chang, Pang Chao-shu, Chung Fang, Chin Hsien-wu, Chiang Wei-chow, Wang Hsi-chun, Pao Chieh-chen, Chin Hao-lung and Yuan Chung-an, are contemplating to make a mediation in the dispute between the Government and the Communists and to bring about, if possible, an early unconditional cessation of the civil fighting.

They were to have met yesterday at a meeting which was postponed later, to deliberate upon measures for administering the mediation and to raise the true voice of the people and to bring their power into full play in solving the Government-Communist contention.

A member of the group told our reporter yesterday that they entertain no political ambition in assuming the role and that they have been prompted to make such an effort, in spite of the immense difficulties, by the Buddhist spirit which usually moves believers in Buddhism to come to the rescue of the "suffering and afflicted" people.

He revealed that their plan is to set up a "retired officials' association" in Peiping to direct an organized effort, in collaboration with the

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retired government leaders in the country, toward realizing an unconditional cessation of the war. (Abridged translation)

Hsin Min Pao (Pro-Kuomintang), Peiping
13 June 1947

Liang Chiu-shui Plans to Organize Peace Mission

Liang Chiu-shui, renovationist member of the Democratic Socialist Party, who returned to Peiping from Shanghai on June 10, called on Chang Tung-sun, member of the China Democratic League and former member of the Democratic Socialist Party, at Yenching University yesterday and conferred with him for a long time. Later they drove together to the city.

Liang told reporters that Chang was much delighted over the emergence of the renovationist group in the Democratic Socialist Party but he did not indicate if he is ready to join the group as a co-leader. Liang said that he had not touched upon that point in his conversation with Chang.

Referring to the mediation for peace between the Government and the Communists, which has been adopted as the chief objective of the renovationists in his party, Liang said that he personally thinks that before the measures for effecting the mediation for peace are fully worked out, ranging from five to ten, should be dispatched to sound out the attitudes both of the Government and the Communists toward the restoration of peace. (Complete

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SPECIAL & FEATURE ARTICLES

Chien Chang-chao's Report on the Organization of China
Social and Economic Research Institute

Sin Min Wen Pao (Independent, Government-supervised), Shanghai
March 12, 1948

The China Social and Economic Research Institute was formally inaugurated in Peiping on March 1. Mr. Chien Chang-chao was unanimously elected provisional chairman. He delivered the opening address at the inaugural meeting of the Institute. The contents of his speech and the 32-point policy announced by the Institute were closely related with each other. Following is the original text of his address:

"Gentlemen:

"The China Social and Economic Research Institute is formally inaugurated today. I consider it an honor to have been elected by you as provisional chairman. I will here make a simple report on how the Institute has been organization and its significance.

"China's political, diplomatic, social and economic problems are very complicated and confused, with the result that the general public are perplexed and depressed. Beginning from last summer, many of our friends in educational, press, industrial, and financial and banking circles often discussed these problems. By November, we felt the need of organizing an institute for a joint study of these questions. We called it the 'China Social and Economic Research Institute.'

"Speaking of 'research', particularly at this moment when the people have nothing to live upon, some people inevitably regard us as ignorant. On the other hand, those who have consistently looked upon public bodies with suspicion may also suspect that aside from 'research', we have some ulterior motives. Under current conditions, suspicion and distrust are quite a natural phenomenon. We are of the opinion that if research is removed from facts, it will certainly easily lead to ignorance. But to face actualities without a foundation of research is equally as foolish as a blind man riding a sightless horse.

"China is still very far from being a modernized nation and certain prerequisite problems connected with her modernization have not yet been thoroughly studied. Who can give the accurate figure of China's population? Of her land? Her mineral resources? Her forests? Who has elaborately calculated the income of the Chinese citizens? And yet all these facts are basic materials which must be known if and when a day comes when reconstruction can truly be carried out. Research of this type 'must be made sooner or later', and should have been made long before this.

"As for gathering together friends who share similar views with us to analyze China's various problems so as to seek out in the darkness a path which may lead to brightness for the nation, it is our duty to do so. As to the charge that we wish to utilize this to take part in politics or to form a political group, we certainly do not have this intention. China's failure in her revolution in the past has been due to her failure to consolidate the foundation of her ideology. Therefore, to lay the foundation of an ideology is the sole motive which prompted the organization of this Institute. Moreover, the work of this Institute will also be confined to the research stage. The theme of our research is national welfare. The method of our research is to be as objective as possible. The form of our research is absolutely open.

"We are genuinely striving to seek a new road. This road is neither restricted to the course already pursued by others in the country, nor will it change lightly with the changing international situation. We must concentrate our power and cooperate with outside circles, and in the light of the needs of the whole nation, endeavor to draw a blueprint for the building up of a new China. Henceforth, the periodicals, magazines and research reports of

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Commanders. Meanwhile, a branch headquarters will be established in Sian. The inauguration of these headquarters will take place on April 1. Following the inauguration of these headquarters, the Pacification Headquarters in Sian will be dissolved.

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Garrison Commander of Chungking Insists on
Resigning

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
March 18, 1948

Chungking, March 16---Hsiao Yi-shu, Deputy Director of the Generalissimo's Headquarters in Chungking, and concurrently Chief-of-Staff of the Headquarters, has insisted on resigning from the post of Garrison Commander of Chungking. The Ministry of National Defense has appointed Li Keng-ku, Deputy Garrison Commander, to succeed Hsiao as Garrison Commander and Chuan Pin, Chief-of-Staff of the Garrison Headquarters, as Deputy Garrison Commander.

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Two Company Commanders in Kwangsi Executed for
Dereliction of Duty

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
March 18, 1948

Kweilin, March 17---Mo Shu-chieh, Deputy Commander of the Peace Preservation Headquarters in Kwangsi, is now directing the bandit suppression operations in the Chenpien Hsien. In order to improve the Army discipline, he recently ordered the execution of Ou Chih-kao and Chang Fang, company commanders of the 3rd Peace Preservation Corps stationed in that hsien. These two Army officers were found to have indulged in drinking and gambling on the front and neglected their duties in suppressing the bandits, thus resulting in the latter's rampant activities in that hsien.

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Test Flight of China-Made Training Aircraft Said
Satisfactory

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
March 18, 1948

Hangchow, March 17---During these few days, test flights of training aircraft (106) which were manufactured in a plant in Kunming have been made at the Qienchiao Aviation Academy and the results are quite satisfactory. These aircraft will be turned over to the Qienchiao Aviation Academy, it is learned.

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ECONOMIC NEWS

A Group of American Economic Advisers to Leave for
Hainan Shortly

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
March 18, 1948

Hoikow, March 17---A number of American advisers will soon come to Hainan Island to investigate the rural conditions, fishery, mining, salt and iron production, native products, and light industries there. After they finish their investigation, machinery will be shipped and engineers will be sent to Hainan from the United States to assist in the development of that island.

* * *

this Institute can be regarded as the preliminary draft of that blueprint. We hope the public will assist us in the serious and gigantic task before us."

Following is the 32-point policy of the Institute:

A. Regarding politics:

- (1) Our basic political view is that Government Administration must be systematized, the Government system democratized, and democracy socialized.
- (2) That "rule by law" must replace "rule by men"; that men must be selected to operate a governmental system and not a governmental system set up for the sake of men; that equal emphasis must be placed on the enactment and enforcement of law; that greater importance must be attached to constitutional government rather than the Constitution.
- (3) That Government agencies must be able to act independently in matters under their respective jurisdiction, and must be legally responsible to the people.
- (4) That a civil service system must be established; that with the exception of political officials, civil servants shall not be permitted to engage in political activities.
- (5) That the Army must be nationalized and that its duty shall be to defend the country; that military men must not interfere in politics; that before engaging in politics, military men must first relinquish their military status.
- (6) That the democratic system of government must be based on the functioning of political parties; that different political parties must be able to co-exist in the country, criticizing and supervising one another and each striving to win popular support; that no political party must oppress by force any other parties at variance with it, no matter under what pretext; that election is the final expression of public opinion; that the shifting of governing power from one group to another must be determined by the results of an election.
- (7) That election must be on a regional basis; that the representatives elected by the people must take up the responsibility of exercising political power.
- (8) That the basic principle of local self-government must be safeguarded by the Constitution; that in all matters pertaining to local self-government, the Central Government may only exercise the power of supervision within the scope stipulated by law.
- (9) That a democratic government must not only emphasize form, but must also stress the actual benefits which the administration can bring to the masses; that the kind of democratic government which we demand must be able to safeguard the people's basic freedoms and rights and to free them from fear, want, oppression and exploitation.

B. Regarding foreign affairs:

- (10) We advocate the achieving of harmony in foreign affairs through harmony in domestic affairs.
- (11) The positive promotion of a good-neighbor policy, the establishment of an independent foreign policy.
- (12) We oppose racial discrimination; we advocate assistance to the weak and small nations, and respect for their independent viewpoints.

- (13) We oppose the use of war as a tool for implementing national policy; we advocate the amicable settlement of international disputes in accordance with the principles of justice and international law; we advocate the reduction of armament and the setting up of an international trusteeship system and at the same time, we support a sound international organization so that it will become an organ for the genuine settlement of all international disputes.
- (14) We advocate international economic and cultural cooperation and the setting up of an international economic and cultural organization.
- (15) We oppose any manipulation of public opinion by the government or any other group, which might lead to international propaganda offensives detrimental to international peace.

C. Regarding economic affairs:

- (16) We maintain that the State must draw up appropriate plans to develop national resources, to realize full employment, to bring about equitable distribution of wealth and to raise the people's standard of living.
- (17) The State must adopt various feasible policies to positively promote the modernization and industrialization of our economy.
- (18) The ultimate goal must be to nationalize all the land in the country. The first step must be to set a maximum limit to the amount of arable land a private person is allowed to own, and all land in excess of this must be immediately nationalized. The original landowner must be given long-term Government bonds as compensation. The nationalized arable land must either be leased to landowning farmers or placed under collective management, as the case may be. All land in the city must be nationalized and the owners compensated therefor.
- (19) The State must use its power to help improve agricultural production and management, as well as the living conditions of the farmers.
- (20) All monopolistic and strategic industrial, mining and communication enterprises must, in principle, be operated by the State.
- (21) Financial and banking enterprises must be operated by the State. The first step must be to recall all private shares in State banks and to simplify and unify their organization.
- (22) State-operated enterprises must make the replenishment of resources and their appropriate use, as well as the enhancement of the well-being of the whole nation as their business policy.
- (23) The policy of taxation must aim at the equal distribution of private wealth, creating State capital, promoting the exploitation of natural resources, maintaining economic prosperity and achieving social security.
- (24) The country's foreign trade policy must be in line with domestic economy and with various other needs of life.
- (25) We welcome foreign investments, which are free from political motives and which are consistent with our economic policy, to participate in our economic reconstruction for mutual benefit.

D. Regarding social affairs and others

- (26) Education funds must be increased, opportunity for education must be enlarged, and the plan for giving a free primary education to all citizens must be completely carried out within a specific period so as to enable the people to enjoy equal opportunities in the development of their talents and abilities.
- (27) Education must emphasize the free development of the individual personality, the cultivation of sound character, the forming of the habit of independent judgment as well as the sense of righteousness, and the encouragement of the spirit of public service. Assistance must be given to youthful students who take part in voluntary and open political and social activities.
- (28) We oppose inequalities between men and women; men and women must be absolutely equal in the eyes of the law and given equal opportunities in education and employment.
- (29) The State must enact modern laws relative to labor well-being, fixing, in accordance with the economic conditions prevailing in the country, the minimum wages, the maximum number of working hours, and guaranteeing the safety of working conditions.
- (30) Promote various social security systems so that people suffering from sickness, unemployment, old age and disability may not face poverty and misery.
- (31) Expand medical and sanitary facilities and gradually promote the system of free medical service so that in the protection of health the people may enjoy equal opportunity.
- (32) Under the policy of expanding medical and sanitary facilities so as to reduce the mortality rate among the population, the State must, at the same time, entrust the medical and sanitary personnel with the task of propagating knowledge of birth control in order to reduce the number of births, without at the same time lowering the quality of the race, so that China's population pressure may not increase. The State must further adjust the size of the population in the light of the opportunity for employment, so as to gradually raise the standard of living.

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